

**QUESTIONS AND ANSWERS FROM THE W-2 PRE-CONTRACT PHONE CONFERENCE
OCTOBER 3, 2001**

The Department's response to these questions may be helpful in the review of the Wisconsin Works (W-2) and Related Programs Contract.

1. Question: Contract section 25.7.1 (Allowable Expenses) states that the Department's Policies and Procedures regarding prior approval for certain expenses must be followed. What expenses require prior approval? Where is this policy found?

Answer: Current Department policy requires prior approval on Information Technology (IT) purchases and non-IT items over \$5,000 (see DES Administrator's Memo #98-24). New policy is being developed regarding additional items (e.g. employee bonuses) that would require prior approval and this policy will be issued in the Financial Management Manual.

2. Question: When will the W-2 agency receive the guidelines for preparing the following plans: Civil Rights Compliance (CRC) Plan, Affirmative Action (AA) Plan and Language Access Plan (LAP)?

Answer: A decision has been made to extend the deadline for contract agencies to submit their CRC Plan (which includes AA and LAP) under the 2002 contracts (IM, CC, CS and W-2). The deadline will be sixty (60) calendar days following the publication by the Department of the updates for 2002 to the Civil Rights Compliance Standards and Resource Manual.

3. Question: Is Contract section 39.2 (Data Gathering Instrument) new?

Answer: No, the language in section 39.2 of the 2002-2003 Contract is the same as section 6.33, second paragraph of the 2000-2001W-2 Contract.

4. Question: Emergency Assistance is not included in Appendix A. Why?

Answer: It was an error not to include Emergency Assistance in Appendix A. This is corrected in the Biennial Budget Contract Amendment.

5. Question: Is Contract section 40.2 new? (Department Regulation, Funding or Adverse Action)? Concern was identified regarding a consortium structure.

Answer: Section 40.2 is similar to section 6.34, 2 in the 2000-2001 W-2 Contract. The provisions (6.34 and 40.2) are similar in intent and are taken from the Department of Administration boilerplate. There is no intent to prevent a consortium.

6. Question: What's the definition of the "Advisory Panel" and why is this referenced in the 'balance of state' ("BOS") contracts?

Answer: The Advisory Panel is the group formed by the Department to look at how W-2 services are delivered in Milwaukee and to present recommendations to the Department for changes to improve the delivery of W-2 services. A reference to the Advisory Panel is included in all W-2 contracts because it is possible that some changes resulting from Panel recommendations may have general application.

7. Question: Section 25.7.2 (Adjustments to Expense Reports) is not clear and is inconsistent with past verbal instructions from the CARS Unit. Please clarify.
- Answer: Policy on making adjustments on expense reports will be issued in the Financial Management Manual. Prior to the issuance of this policy, please direct your questions to Gordon Bond at 608/266-5762.
8. Question: Please provide clarification on subcontract policies, include the following in the answer: the definition of items that must be purchased with a subcontract; the definitions of a vendor and subcontractor; when a subcontractor may begin work; a description of the Department's Contract Manager approval process; and a description of the Department's retroactive approval process.
- Answer: The Department is preparing a policy document to address questions on subcontracts. The policy document will be shared with the W-2 Contract and Implementation Committee.
9. Question: Is contract sec. 37(b) in conflict with response item 7.1.8 c)?
- Answer: Response item 7.1.8 c) states that program participants who perform unpaid ("volunteer") work to repay a job access loan or for work experience should be covered by "whatever type of insurance is deemed necessary" by the W-2 agency. Contract section 37(b) specifies that worker's compensation coverage is required. This issue has been reviewed and it is clear that worker's compensation coverage is required. The contract provision will not be changed.
10. Question: Contract section 16 requires that "compliance contacts" be recorded. Does this requirement include verbal contacts and virtually all other communication between the Department and the W-2 agency?
- Answer: A compliance contact may be oral (see the definition of "compliance contact" in Contract sec. 54). The Contract requires that compliance contacts be recorded. The recording of an oral compliance contact need not be elaborate. (Example of a written record of an oral compliance contact: "5/3/02. Called John Smith and asked for response to the complaint from XY about services from the ABC Co.") If a communication is of such a nature that a reasonable compliance issue cannot be identified, it is not a compliance contact and need not be recorded.
11. Question: Should language be added to Contract section 26.3 to state that the W-2 agency is not liable for audit disallowances for items that have previously been approved in writing by the Department?
- Answer: This is not necessary. The provision already states that the W-2 agency has liability for audit disallowances in which acts or omissions of the W-2 agency are cited. If the acts and omissions were knowingly approved by the Department or were expressly required by Department policy, then the audit disallowances would not be due to acts or omissions of the W-2 agency.
12. Question: Under Contract section 14.2, is it appropriate for the Department to require a W-2 agency to provide original documents when the W-2 agency might need the originals for lawsuits?

Answer: The section is appropriate in requiring that the W-2 agency must provide originals or copies of records at the request of the Department. Any need to respond to a lawsuit can be handled through the provision of certified copies of program records.

13. Question: Is it possible to negotiate an amount greater than fifteen percent (15%) for administration expenses (Contract section 25.8) if the W-2 agency's base allocation is slightly greater than \$500,000?

Answer: The Department will consider a request to waive on a graduated basis the fifteen percent (15%) limit on expenses for administration where the W-2 agency's allocation is slightly greater than \$500,000. In no case will the Department approve an administration amount above twenty percent (20%). A Contract Amendment will be issued when a waiver is granted.